

## Overview of the Budget Process

### Summary of Changes

- Agencies' initial budget submissions are due September 14th (section 10.3).
- To the extent possible, agencies should refine their discretionary spendout rates in MAX by mid-December (section 10.3(b)).

### 10.1. Executive budget formulation process.

During budget formulation, the President establishes general budget and fiscal policy guidelines. Policy guidance is given to agencies for the upcoming budget year and outyears to provide initial guidelines for preparation of agency budget requests.

The budget formulation process begins not later than the spring of each year, at least nine months before the budget is transmitted. Executive branch agencies prepare their budget requests based on the guidelines provided by the President through the Office of Management and Budget (OMB) and the detailed instructions on preparation of budget estimates provided in this Circular.

OMB works with agency staff to identify major issues for the upcoming budget; undertake the analysis necessary to provide the context for decision-making; identify major options for the fall budget review process; and develop and implement plans for analysis of issues that will need decisions in future years.

Through the spring and summer, the process focuses on review of program performance, as well as on ways to ensure efficient use of Government resources and successful implementation of programs and policies. Ideas are exchanged on potential reorganization of functions, consolidation of activities, and proposals to restructure programs. In addition, a wide range of management practices are explored to ensure high quality program performance, evaluation of near- and longer-term program results, and timely assessment of the need for policy redirection through administrative action or legislative changes.

Emphasis is also placed on planning, budgeting, acquisition, and management of capital assets (see Part 3 of this Circular and the *Capital Programming Guide*).

Executive branch departments and agencies are required to submit initial budget materials to OMB beginning early in the fall, in accordance with the schedule in section 10.3. Other materials are submitted later in the fall and winter on a schedule supplied by OMB. Budget data are required for

the past, current, and upcoming budget year, as well as for the nine years following the budget year.

In the fall, major issues and options are prepared for consideration by the President, organized around major Administration themes and crosscutting issues. OMB then reviews agency budget requests, based on Presidential priorities, program performance, and budget constraints. A complete set of budget proposals is presented to the President by early December for his approval.

After the review process is completed, decisions on budget requests are passed back to the agencies. Upon receipt of final decisions for the current and budget years, agencies revise their budget requests to bring them into accord with these decisions. These final estimates are transmitted to Congress in the President's budget. In accordance with current law, the budget must be transmitted to Congress not later than the first Monday in February.

The outyear estimates included in the President's budget then become the starting point in planning for the budget to be transmitted to Congress the following year.

Requirements of the Government Performance and Results Act (GPRA), Public Law 103-62, are also related to the budget formulation process in executive branch agencies. Instructions on development of agency strategic plans and annual performance plans are found in Part 2 of this Circular.

### 10.2. Executive and congressional budget processes.

The executive budget formulation process described above is prescribed by OMB, in accordance with the Budget and Accounting Act of 1921, as amended. The following timetable highlights significant dates culminating in transmittal of the President's budget and subsequent updates of the budget. It also reflects the congressional budget procedures established by the Congressional Budget Act of 1974 and certain requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, as they both were amended by the Budget Enforcement

Act of 1990 (BEA) and the Balanced Budget Act of 1997. (See section 200 of part 2 of this Circular for a summary schedule of requirements under GPRA.)

**ACTION TO BE COMPLETED**

The Executive Budget Process	Timing	The Congressional Budget Process
Agencies subject to executive branch review submit initial budget request materials.	September 14	
Fiscal year begins.	October 1	Fiscal year begins.
Agencies not subject to executive branch review submit budget request materials.	October 15	
OMB issues its final sequestration report; <sup>1</sup> President issues sequestration order, if necessary.	10 days after end of session 15 days after end of session	Congressional Budget Office (CBO) issues its final sequester report.
Legislative and Judicial branches submit budget request materials.	30 days later November–December	Comptroller General issues compliance report.
President transmits the budget to Congress, including OMB sequestration preview report.	5 days before President's budget transmittal Not later than the first Monday in February	CBO issues its sequestration preview report.
	February 15	CBO reports to the Budget Committees on the President's budget.
	Within 6 weeks of President's budget transmittal	Committees submit views and estimates to Budget Committees.
	April 1	Senate Budget Committee reports concurrent resolution on the budget.
	April 15	Congress completes action on concurrent resolution.
	May 15	House may consider appropriations bills in the absence of a concurrent resolution on the budget.
	June 10	House Appropriations Committee reports last appropriations bill.
	June 15	Congress completes action on reconciliation legislation.
	June 30	House completes action on annual appropriations bills.
OMB reports on the impact of enacted legislation and provides an explanation of any differences between OMB and CBO estimates.	After completion of action on discretionary, direct spending, or receipts legislation.	CBO provides estimate of the impact of legislation as soon as practicable.
	Within 7 calendar days of enactment of legislation.	
President transmits the Mid-Session Review, updating the budget estimates.	July 15	
OMB and agencies discuss budget issues and options in preparation for fall budget review and decision making.	Late June–early August	
OMB issues its sequestration update report.	August 15 August 20	CBO issues its sequestration update report.

<sup>1</sup> A “within-session” sequestration is triggered within 15 days after enactment of appropriations that are enacted after the end of a session for the budget year and before July 1, if they breach the category spending limit for that fiscal year. A “lookback” reduction to a category limit is applied for appropriations enacted after June 30th for the fiscal year in progress that breach a category limit for that fiscal year and is applied to the next fiscal year.

**10.3. Preparation and timing of budget submissions.**

This Circular provides instructions on the preparation of agency submissions required for OMB and Presidential review of budget estimates and for formulation of the President’s budget. Although the main focus of the Circular is on the preparation of the *Budget Appendix* and the related data base, the agency submissions also provide the basis for the rest of the budget, which is prepared centrally by OMB.

The required budget materials are submitted to OMB in four phases (see sections 10.3(a)–(d)). Specific deadlines for initial submission materials are indicated below. A general indication of the timing of submissions for computer, print, and additional materials is also provided; specific submission dates for these materials will be provided in a schedule supplied separately by OMB. A table in section 10.4 lists the materials required for each phase of the budget submission.

Agencies may also be required by their OMB representative to provide certain data already available in computer format (e.g., disk or computer tape) in that form.

**(a) Initial submission.**—This submission consists of budget justification and other materials, as described in section 10.4. OMB may also require that additional materials be included in this submission.

Department/Agency	Due Date
Cabinet and other agencies subject to executive branch review and the District of Columbia.	September 14.
Executive branch agencies not subject to executive branch review.	October 15.
Legislative and Judicial branches.	In accordance with the timetable to be supplied by OMB.

In addition, agencies may be required to provide information on their budget requests by account and by Budget Enforcement Act category (i.e., budget authority and outlays by BEA category) through the MAX budget system (MAX). Additional guidance on this requirement will be provided later.

**(b) Computer materials.**—These materials consist of data required for MAX, the computer system

used to collect and process information needed to prepare the budget. Agencies with computer access to MAX are required to use this system to submit data. Other agencies are required to provide the necessary data by marking up computer reports provided by OMB. These data are generally submitted to OMB after passback of initial budget decisions. However, agencies should be prepared to provide baseline estimates in October or after enactment of appropriations bills or a continuing resolution. Agencies may also be required by their OMB representative to submit past year data for certain MAX schedules by November 15.

In addition, to the extent possible, agencies should refine their discretionary spendout rates in MAX by mid-December to reflect the latest information available on discretionary spending (see section 21.1). Further discussion of the MAX system is found in section 20, “Introduction to computer materials.”

**(c) Print materials.**—These are materials from which the text and text tables printed in the *Budget Appendix* are prepared. In addition, the printing process provides for the electronic generation of MAX data from OMB to the Government Printing Office (GPO) to produce most of the budget schedules in the *Budget Appendix*. These materials are generally submitted after budget decisions are made. Information on the printing process is contained in section 30, “Explanation of print materials.”

**(d) Additional materials.**—Some additional materials are required and are generally submitted after budget decisions are made.

**(e) Conforming to budget decisions.**—When an agency is informed of budget decisions or otherwise required by OMB, all print and computer materials will be revised immediately to reflect the action taken. *Specific approval must be obtained from OMB prior to submitting materials on a basis other than budget decisions.*

All changes that affect other appropriation or fund accounts (such as the amount of transfers) must be coordinated with those responsible for the budget submission for such accounts. (For requirements on transfers, see sections 11.7, 32.3, 32.4, and 32.8.)

**(f) Relationship of submission materials to the budget document.**—The following chart describes the relationship of budget submission materials to the budget documents transmitted to Congress.

CLICK HERE TO VIEW THE CHART ‘RELATIONSHIP OF SUBMISSION MATERIALS TO THE BUDGET DOCUMENT’

**10.4. Components of the budget submission.**

The required budget materials for the initial and subsequent budget submissions are listed below. These materials will be submitted in accordance with the detailed instructions in the sections indicated and the arrangements made by OMB representatives. In addition, the listing indicates those requirements

that apply only to certain agencies or under certain circumstances.

Budget submission requirements vary depending on the type of account involved. Section 11.4 includes a table describing requirements for general and special fund accounts, revolving funds, management funds, and trust non-revolving funds. Section 33.5(c) provides a summary of requirements for credit accounts.

**SUBMISSION REQUIREMENTS**

Section number	Exhibit number	Components of the budget submission	Applicability of reporting requirements <i>(Requirements apply to all agencies unless otherwise noted.)</i>
----------------	----------------	-------------------------------------	--

**INITIAL SUBMISSION**

*Materials are due to OMB according to the schedule specified in section 10.3(a), unless otherwise noted below.*

15.1	—	Summary and highlight statement	
15.2	15A	Budget justifications	

**SUBMISSION REQUIREMENTS—Continued**

Section number	Exhibit number	Components of the budget submission	Applicability of reporting requirements (Requirements apply to all agencies unless otherwise noted.)
15.4	—	Information on financial management ( <i>Remediation plans are required.</i> ) <sup>1</sup>	
15.5	—	Information technology management	
15.6	15B	Rental payments for space and land <sup>1</sup>	Agencies with rental payments in excess of \$5 million, unless OMB indicates otherwise.
15.9	—	Information on receipts estimates	Agencies with receipt account data.
15.10	—	Information on Inspectors General for designated Federal entities	Agencies designated to establish an Office of Inspector General in the Inspector General Act Amendments of 1988.
15.11	—	Information on credit liquidating accounts	Agencies with credit liquidating accounts and unobligated balances that carry over into the current year.
15.12	—	Information on energy costs <sup>1</sup>	Agencies with obligations for energy costs of more than \$500 thousand that are paid directly to utilities, not through SLUC charges.
40.2	40	Report on resources for financial management activities <i>October 16 submission required</i>	Agencies covered by the Chief Financial Officers Act.
42.3	42	Information technology <sup>1</sup>	
45.2	45	Information on drug control programs	Agencies with budget authority or outlays for drug control programs that exceed \$500,000 in any year.
47.2	47	Information on violent crime control programs <sup>1</sup>	Agencies with budget authority and outlays for programs financed by the Violent crime control trust fund.
Part 2	—	Initial annual performance plan to OMB <sup>1</sup>	Agencies specified in section 200.3 of Part 2. (See Part 2 for the timing of other GPRA requirements.)
Part 3	300A	Impact of full funding of capital assets	Agencies with capital assets that are funded incrementally.
Part 3	300B	Capital asset plan and justification <sup>1</sup>	Agencies with major acquisitions.

**COMPUTER AND PRINT MATERIALS<sup>2</sup>**

21, 23	21A,B, 23A,B	Analysis of budget authority and outlays (MAX schedules A and S) Receipts estimates (MAX schedules K and R)	
25.3, 25.4	25A, B	Character classification (MAX schedule C), including R&D data (e.g., R&D crosscuts, technology transfers) <sup>1</sup>	
32, 35	32A–C 33A,C,F,I 35A,B	Program and financing and object class data (MAX schedules P and O)	
33.6– 33.12	33B,D,G J,K	Federal credit data (MAX schedules G, H, U, and Y) <sup>1</sup>	Agencies with credit programs.
36.4	—	Status of contract authority (MAX schedule I)	Agencies reporting contract authority in the past, current, or budget year
36.1	—	Personnel summary (MAX schedule Q)	
36.3	33E,H 36A,B	Statement of operations; balance sheet (MAX schedules E and F) <sup>1</sup>	Agencies with noncredit revolving funds that conduct business-type activities, as determined by OMB, all credit liquidating and financing accounts; and all Government-sponsored enterprise funds.

## SUBMISSION REQUIREMENTS—Continued

Section number	Exhibit number	Components of the budget submission	Applicability of reporting requirements (Requirements apply to all agencies unless otherwise noted.)
36.5	—	Status of funds (MAX schedule J)	Agencies with major trust funds and certain other accounts as specified.
36.6	—	Data on unavailable collections (MAX schedule N) <sup>1</sup>	Agencies with unavailable special and trust fund receipts or offsetting collections.
36.7	—	Budget plan (MAX schedule D)	DOD-Military only.
36.8	—	Information on accounts required to submit budget execution (SF 133) reports (MAX schedule Z)	For all accounts for which agencies submit SF 133 reports.
36.9	—	Status of contingent emergency funding (MAX schedule V)	Agencies with accounts that have emergency appropriations.
36.10	36C	Appropriations requests in thousands (MAX schedule T)	Agencies with appropriations language requests for the budget year.

PRINT MATERIALS ONLY:<sup>2</sup>

31	31A,B,C	Appropriations language <sup>1</sup>	
34	34	Narrative statements on program and performance <sup>1</sup>	

## ADDITIONAL INFORMATION

15.7	—	Information on grants to State and local governments	Agencies with Federal grants to State and local governments.
15.8	—	Information on motor vehicles	Agencies, as defined in 5 U.S.C. 105, that operate at least 300 motor vehicles.
15.10	—	Information on relocation expenses <sup>1</sup>	
23.3	—	Impact on the baseline estimates of major regulations, management initiatives, administrative actions, etc. Bridge between current and budget year baseline estimates	
33.5	—	Development of risk categories	Agencies with credit programs.

<sup>1</sup> Previous requirements have changed or new requirements have been added.<sup>2</sup> Government-sponsored enterprises (GSEs) should include data in MAX schedules A, E, F, G, H, O, P, and Y and provide applicable print materials. Baseline data (MAX schedules K, S, and Y) are not required. (For a listing of GSEs, see Appendix C.)**10.5. Requirements following budget transmittal.**

After transmittal of the President's budget, OMB requires submission of additional materials in the following situations.

**(a) Supplemental requests and budget amendments.**—When circumstances warrant, supplemental requests or budget amendments may be proposed. Information on preparation of supplementals and amendments is found in section 61.

**(b) Releases of contingent emergency funding.**—Presidential releases of previously-appropriated contingent appropriations may be submitted to the Congress after the President's budget has been transmitted.

Instructions on preparation of information on these releases are included in section 61.

**(c) Rescission proposals and deferrals.**—The Impoundment Control Act of 1974 (Public Law 93–344), as amended, requires the President to transmit a *special message* to Congress whenever a rescission of budgetary resources is proposed.

The Impoundment Control Act of 1974 (Public Law 93–344), as amended, also requires that *special messages* be transmitted to Congress when funds are withheld temporarily from obligation.

*Supplementary messages* are transmitted to Congress when information contained in a special message concerning a rescission proposal or deferral trans-

mitted previously is revised. Instructions on agency reporting procedures and required submissions to OMB are provided in Part III of OMB Circular No. A–34 (November 1997 revision).

**(d) Mid-Session Review.**—The President is required by law to send a report to Congress updating budget estimates on or before July 15. This report contains revised budget estimates resulting from changes in economic assumptions, Presidential initiatives, and completed congressional actions that have occurred since transmittal of the budget.

**10.6. Additional materials required for Congress.**

Agencies are reminded of the requirement to identify funding levels requested for education and training of the acquisition workforce in their budget justifications to the Congress, as prescribed by 41 U.S.C. 433(h).

Agencies are required to identify funds requested for energy conservation measures in agency budget justifications to the Congress, pursuant to Public Law 100–615.

Agencies are also reminded that all proposed budget justification materials prepared for Congress must be submitted to OMB for clearance prior to transmittal to Congress (see section 12.9).